



# Fact Sheet

*Washington State Department of Social and Health Services*

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## **Overview of DSHS-licensed child care in Mattawa, Washington, April 12, 2005**

**In 2001, the Department of Social and Health Services (DSHS)** began an investigation of 51 in-home licensed child day care providers in Mattawa at the request of a local official.

A provider, Celia de la O, pleaded guilty to first degree theft and first degree identify theft charges brought by the Grant County Prosecutor, and DSHS suspended her day care license effective Sept. 30, 2002.

Several licensed child care providers have since closed. Common reasons cited for closure were that the provider moved, the license expired with no reapplication, or the license was terminated at licensee request.

As of Aug. 5, 2004, there were 38 licensed in-home child day care providers and two licensed child care centers in Mattawa. Of the 38 home-based providers, 35 were active.

**The State Auditor's Office** reviewed the DSHS investigation and raised issues about improving background checks, attendance and immunization records as well as fire alarm inspections. DSHS is making improvements where it has the legal authority and funding to do so.

The Auditor's Office also investigated a whistleblower's complaint that a DSHS employee in the Moses Lake Community Services Office failed to verify and report overpayments to child care providers. The auditor's office found no reasonable cause to believe improper government action occurred.

**The U.S. Attorney's Office in Yakima** has indicated in comments to the press that a federal investigation of the Mattawa in-home child day care providers is in progress.

**The DSHS Division of Child Care and Early Learning** has taken several measures since May, 2002, to improve the accuracy of provider billing documents and reduce the incidence of overpayments.

In May, 2002, the child care licensing division reinforced and required immediate compliance with the requirement for field supervisors to review a requisite number of child care authorizations and payments to ensure accuracy.

In February, 2003, training was provided to Seasonal Child Care contractors on how to correctly authorize child care and how to identify and report overpayments. Similar training was provided to Resource and Referral agencies on correct billing procedures in April, 2003.

In May, 2003, the training “Managing a Successful Child Care Business” was held in Mattawa in Spanish. This training was coordinated by Department of Community, Trade and Economic Development and included licensing, taxes and record keeping necessary for the Family Child Care business.

In addition, the child care licensing division asked DSHS quality assurance staff to perform performance and billing reviews of child care providers and requested the review of child care center and non-relative care providers by Department auditors and fraud investigation staff. Licensors, required to inspect child care facilities at least every 18 months, now review provider files to verify providers are keeping the required attendance documentation. If providers do not have the required attendance records in file, the licensor makes a referral to the local DSHS Community Services Office for overpayment review.

The DSHS publication *Child Care Subsidies: a Booklet for Licensed and Certified Child Care Providers* is a resource to help providers with subsidy billing and is available in English and Spanish, online, in local Community Services Division and DCCEL offices. DCCEL has recently developed and piloted a revised Provider Subsidy Training course and materials in English. These new training materials are being updated and translated into Spanish as well. Trainers will then offer this training on a regular basis throughout the state. Increased training resources also enabled the Division to offer additional training to licensed child care providers on billing document requirements and other licensing documentation requirements.

New licensing regulations require parents to sign their children in and out of the family home provider’s facility indicating the time of arrival and departure. Providers will be required to have and retain this documentation on-site for five years. In the event of an audit or payment review, lack of this specific required documentation will result in an overpayment notice; other forms or records will not be acceptable as documentation of accurate billings.

**The federal Child Care and Development Fund (CCDF)** is the principal source of federal funding for child care subsidies for low-income families, and is the principal source of federal funding for initiatives to improve the quality of child care in Washington and other states. Funding from the federal Temporary Assistance for Needy Families (TANF) grant also is used.

**In June 2004, eleven Mattawa in-home child day care providers filed a federal lawsuit** in U.S. District Court, claiming they were targets of racial discrimination and illegal search and seizure in May 2002 during the state investigation of the day care

providers' billing practices. The group is suing DSHS, Grant County, the Town of Mattawa and various state, county and town officials in U.S. District Court in Spokane.

**In a July 20, 2004, letter to the Governor's Commission on Hispanic Affairs**, DSHS notified commissioners that the DSHS Division of Fraud Investigations (DFI) has been directed to cease the use of federal Immigration and Customs Enforcement agents as translators and to provide cultural competency training to DFI staff.

**On April 8, 2005, Columbia Legal Services** filed a class-action lawsuit in Thurston County Superior Court virtually identical to the lawsuit filed in U.S. District Court on behalf of nine additional Mattawa in-home child care providers. In this lawsuit, the plaintiffs are attempting to make the suit a class action, but the court has not certified it as a class action.

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